

Program A: Tax Collection

Program Authorization: Title 49, Chapter 1 of the La. Revised Statutes

PROGRAM DESCRIPTION

The mission of the Tax Collection Program in the Office of Revenue is to administer efficiently the state's tax and regulatory statutes in a manner that will generate the highest degree of public confidence in the department's integrity and fairness. The need for fair and equitable administration of the state's tax laws is essential. Uniform enforcement encourages taxpayers to pay their fair share and prevents an undue burden from being placed on the honest taxpayer. In addition, the presence of an effective and visible enforcement program results in a higher level of voluntary compliance.

The goals of the Tax Collection Program are:

1. Promote greater voluntary compliance with tax laws.
2. Improve the quality and responsiveness of tax-related research and information produced by the department.

The Tax Collection Program includes the following major activities:

- Return and remittance processing: This activity comprises the various means by which the department receives tax returns and payments, deposits payments, and records the information contained in the returns. The department is increasingly automating this activity using technologies such as electronic filing, document imaging, optical character recognition, and electronic funds transfer in a effort to improve accuracy and efficiency.
- Delinquency collections: This activity consists of enforcement efforts designed to encourage and compel delinquent taxpayers to pay any taxes owed to the state. The measures employed by the department include billing notices, warrants for distraint, levies and liens, depending on the degree of delinquency and the cooperativeness of the taxpayer.
- Audits: This activity consists of both desk audits and more in-depth field audits of typically corporate taxpayers. The primary purposes of the audits are to identify potential underpayment of taxes by major taxpayers and to provide a deterrent to all taxpayers against future underpayment, thereby promoting greater voluntary compliance.
- Dispute resolution: This activity comprises the efforts by the department's legal and audit staff to resolve tax disputes with taxpayers in a fair and consistent manner through various means including litigation, arbitration, and settlements.
- Public education and outreach: This activity comprises the department's efforts to promote greater awareness and understanding of the tax laws, and to provide better quality customer service. Among other things, the department provides tax seminars, policy opinions, and printed and computer-searchable publications to taxpayers.
- Management and finance: This activity consists of the various administrative and support services functions required to maintain the department's operations, including fiscal services, human resource management, facility maintenance, purchasing, internal audit, and information services.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

The objectives and performance indicators that appear below are associated with program funding in the Base Executive Budget for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables.

1. (KEY) To ensure that all of the operational objectives of the department will be achieved.

Explanatory Note: This operational objective is part of a voluntary pilot project to identify performance information for administrative and support services.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Percentage of department operational objectives achieved ¹	Not applicable ²	100%	100%	100%	100%	100%
S	Number of objectives not accomplished due to insufficient support services	Not applicable ²	0	0	0	0	0
K	Number of reportable audit findings	Not applicable ²	1	0	0	2	2
S	Total value of assets managed (fixed and movable)	Not applicable ²	\$25,779,000	\$ 30,000,000 ³	\$ 30,000,000 ³	\$ 26,000,000 ²	\$ 26,000,000
S	Number of personnel in agency per support services person (FTE basis)	Not applicable ²	6.5	6.5	6.5	7.2	7.2

¹ Calculation methodology for this performance indicator is as follows: The department measures the performance indicators under each objective and determines whether sufficient progress has been made to consider the objective accomplished for the fiscal year.

² This performance indicator was first used in FY 1999-00. It did not appear under Act 19 of 1998 and has no FY 1998-99 performance standard.

³ Although the FY 1999-00 performance standard for this indicator is \$30,000,000, the department reports, as of their First and Second Quarter Performance Progress Reports for FY 1999-00, that a more likely yearend figure is \$25,900,000. For this reason, continuation value for this performance indicator is set at \$26,000,000.

2. (KEY) To increase voluntary compliance with the tax laws by 1%.

Strategic Link: This operational objective is a step toward accomplishment of the department's strategic objective to increase voluntary compliance by 4% by 2003. Operationally, the department seeks to improve voluntary compliance by 1% each year for a four-year period. The beginning point is the performance level established for FY 1999-00. The department indicates that, considering the high level of voluntary compliance that the state currently enjoys, this level of change is a represents a significant improvement.

Explanatory Note: The department indicates that the determination as to whether or not voluntary compliance has increased by 1% is difficult to determine because there is no agreed upon, accurate method of calculating voluntary compliance. It is impossible to measure "voluntary-ness." It is a taxpayer behavior and therefore an unknown event that contributes to filing or nonfiling. Compliance itself is a multi-faceted component. It is made up of complying with tax laws, filing accurate and timely returns, following instructions, remitting the correct amount of tax in a timely manner, and so forth. Because of the complexities involved with "voluntary" and "compliance," there can be no such indicator as "voluntary compliance rate." Voluntary compliance is an intangible concept, but a central and crucial one involved in determining the performance of the department.

The indicators shown under this objective all contribute to this determination of voluntary compliance. In other words, all of the indicators are proxies for voluntary compliance. If the performance levels established for the indicators are met, then it is likely that voluntary compliance has increased. It is the department's firm belief that voluntary compliance should remain its stated objective since the various elements that constitute voluntary compliance are meaningful, tightly interconnected, and cannot stand alone and still maintain a true meaning.

Most states throughout the country use "voluntary compliance" as a means of measuring their performance. To ensure that all states are determining "voluntary compliance" consistently, the Federation of Tax Administrators is attempting to develop a standard set of performance indicators for use by all tax agencies. This standard set of indicators should ensure accurate comparability with other taxing agencies. A timetable has not been established for the completion of this task. However, it seems likely that many of the indicators currently tracked by the department will be included in the standards.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Average number of days of training per employee per year	Not applicable ¹	6	1 ²	1 ²	6	6
S	Total number of returns filed	3,613,000	3,709,042	3,900,000	3,900,000	3,800,000	3,800,000
K	Percentage of total returns scanned	Not applicable ¹	78.8%	80.0%	80.0%	92.4%	92.4%
S	Number of income tax returns filed electronically	220,000	288,417	320,000	320,000	375,000	375,000
S	Number of Electronic Funds Transfer (EFT) accounts ³	4,700	7,926	6,300 ⁴	6,300 ⁴	6,500	11,000
S	Number of EFT payments ³	34,100	64,072	40,000 ⁵	40,000 ⁵	72,000	72,000

S	Total EFT payments transferred (in \$ millions) ³	\$3,240	\$2,943	\$3,240	\$3,240	\$3,100 ⁶	\$3,100 ⁶
K	Percentage of total collected from business taxpayers that is deposited electronically	66.0%	61.7%	66.0%	66.0%	62.0%	62.0%
K	Percentage of total revenue collected that is deposited within 24 hours of receipt	69.0%	70.1%	62.0% ⁷	62.0% ⁷	71.5%	71.5%
K	Average tax return processing time (in days)	Not applicable ¹	7	9	9	7	7
K	Return on investment of voluntary compliance (total voluntary collections per dollar spent on nonenforcement efforts)	Not applicable ¹	\$239	\$205 ⁸	\$205 ⁸	\$205	\$205
K	Percentage of error-free or undisputed individual income tax returns	Not applicable ¹	Not available ⁹	90%	90%	90%	90%
K	Percentage of error-free or undisputed sales tax returns	Not applicable ¹	Not available ⁹	95.2%	95.2%	96.0%	96.0%
S	Percentage of taxpayer correspondence answered within 30 days prior to established deadline	90.0%	88.9%	90.0%	90.0%	90.0%	90.0%
K	Total number of tax processes converted to the new integrated tax system ¹⁰	10	0	6	6	12	8

¹ This was a new performance indicator in FY 1999-00. It did not appear under Act 19 of 1998 and did not have a FY 1998-99 performance standard.

² Although the performance standard for this indicator is 1, the department projects a yearend target of 4.8 in its First and Second Quarter Performance Progress Reports for FY 1999-00.

³ Electronic Funds Transfer (EFT) became effective October 1, 1993. In FY 1999-00 increases in the numbers of EFT accounts and payments have occurred. This increase is due to two major changes: (1) the state tax statute was amended to require payroll service companies to electronically transmit the payments for all their clients; and (2) the federal government has begun mandating EFT and some of these taxpayers have voluntarily registered with the State of Louisiana. These changes drastically increased the number of EFT accounts and the number of EFT payments but not the total amount collected. Most of these taxpayers have very small state tax liabilities that will not create a significant increase in the amount collected.

⁴ Although the performance standard for this indicator is 6,300, the department projects a yearend target of 11,000 in its First and Second Quarter Performance Progress Reports for FY 1999-00.

⁵ Although the performance standard for this indicator is 40,000, the department projects a yearend target of 64,000 in its First and Second Quarter Performance Progress Reports for FY 1999-00.

⁶ The small decrease in the amount of EFT payments anticipated to be transferred is based on a projection of future revenues from the larger taxpayers that are required to submit their taxes under the EFT program.

⁷ Although the performance standard for this indicator is 62%, the department projected a yearend target of 71.5% in its First and Second Quarter Performance Progress Reports for FY 1999-00.

⁸ Although the performance standard for this indicator is \$205, the department projected a yearend target of \$241 in its First and Second Quarter Performance Progress Reports for FY 1999-00.

⁹ Information for this performance indicator was not tracked in FY 1998-99.

¹⁰ The department is currently two years into a five-year project to re-engineer its computerized tax administration system to increase its functionality and efficiency dramatically. However, progress was slower than anticipated in FY 1998-99. This indicator measures cumulative progress toward completion of the re-engineering project.

GENERAL PERFORMANCE INFORMATION: TAX COLLECTION				
PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 1995-96	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99
Average number of days of training per employee per year	2	2	5	6
Total number of returns filed	3,595,200	3,535,000	3,821,500	3,709,042
Number of documents/returns scanned	2,741,000	2,696,000	2,955,300	2,923,600
Percentage of total returns scanned	76.2%	76.5%	77.3%	78.8%
Number of pages stored as electronic images	12,900,000	14,400,000	16,348,306	17,487,857
Number of income tax returns filed electronically	136,280	214,200	292,645	288,417
Number of Electronic Funds Transfer (EFT) accounts	2,150	3,036	6,085	7,926
Number of EFT payments	17,500	22,400	38,203	64,072
Total EFT payments transferred (in \$ millions)	\$2,340	\$2,650	\$2,719	\$2,943
Percentage of total collected from business taxpayers that is deposited electronically	48.4%	54.8%	56.1%	61.7%
Percentage of total revenue collected that is deposited within 24 hours of receipt	Not available	62.0%	69.0%	70.1%
Return on investment of voluntary compliance (total voluntary collections per dollar spent on nonenforcement efforts)	\$345	\$340	\$305	\$239
Percentage of taxpayer correspondence answered within 30 days prior to established deadline	Not available	84.0%	83.0%	88.9%
Number of tax clearances reviewed	13,100	13,950	14,495	26,613
Total collections (in \$ millions)	\$4,770.80	\$5,123.8	\$5,154.3	\$5,253.5
Cost per \$100 of revenue collected	\$1.03	\$1.05	\$1.11	\$1.08

3. (KEY) To increase the costs of noncompliance for taxpayers through improved enforcement of tax laws in order to reduce intentional noncompliance by 2%.

Strategic Link: This operational objective is a step toward accomplishment of the department's strategic objective to reduce noncompliance by 10% by 2003. It is the department's intention to reduce noncompliance by 2% each year over a four-year period. The beginning point is the performance level established for FY 1999-00.

Explanatory Note: The department indicates that, as described in Objective 1, the measurement of compliance is difficult, if not impossible. The same is true for noncompliance. The reason for this difficulty in measuring noncompliance is that, similar to compliance, noncompliance is made up of several components. The leading factor is that it is mainly taxpayer behavior. Each of these components is shown as a performance indicator for this objective. The performance indicators are all proxies for noncompliance and collectively measure noncompliance. Because of the multiple components, there is no singular measurement or indicator that can be called "taxpayer intention noncompliance rate." However, the department firmly believes that reduction in "intentional noncompliance" should remain its stated objective, since the components shown as indicators are directly related and indirectly measure noncompliance.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Number of businesses registered that are covered by the field audit program	258,000	238,939	258,000	258,000	240,000	240,000
S	Number of field audits conducted	3,000	2,024	2,000 ¹	2,000 ¹	2,000 ¹	2,000 ¹
K	Percentage of in-state business accounts audited	0.57%	0.34%	0.65%	0.65%	0.65%	0.65%
K	Percentage of out-of-state business accounts audited	1.66%	1.24%	1.20%	1.20%	1.20%	1.20%
S	Total field audit coverage (percentage of all business accounts audited)	0.69%	0.46%	0.60%	0.60%	0.60%	0.60%
K	Total field audit collections	\$70,500,000	\$63,931,941	\$61,800,000	\$61,800,000	\$61,800,000	\$61,800,000
K	Field audit collections as a percentage of audit findings ²	50.0%	40.6%	50.0%	50.0%	50.0%	50.0%
S	Percentage of field audits generating less than \$5,000 in audit findings ³	70.0%	71.2%	70.0%	70.0%	70.0%	70.0%
S	Field audit collections per field auditor position ⁴	\$550,000	\$524,032	\$482,800	\$482,800	\$482,800	\$482,800
K	Number of new audit cases received	Not applicable ⁵	Not available ⁶	2,000	2,000	2,100	2,100
K	Number of audit cases closed ⁷	Not applicable ⁵	Not available ⁶	3,000	3,000	2,200	2,200

K	Return on investment of enforcement (total involuntary collections per dollar spent on enforcement efforts)	Not applicable ⁵	\$6.84	\$7.20 ⁸	\$7.20 ⁸	\$7.20	\$7.20
S	Total audit collections - in-house audit staff	\$19,950,000	\$23,604,450	\$19,200,000	\$19,200,000	\$20,500,000	\$20,500,000
K	Number of delinquent/warrant for distraint assignments	215,000	280,953	270,000	270,000	281,000	281,000
K	Number of lien actions	12,000	10,173	11,000	11,000	11,500	11,500
K	Number of levy actions	86,000	102,677	82,000	82,000	103,000	103,000
K	Percentage of individual income taxpayers who fail to file a tax return	Not applicable ⁵	Not available ⁶	4.6%	4.6%	4.4%	4.4%
K	Percentage of sales taxpayers who fail to file a tax return	Not applicable ⁵	Not available ⁶	11.5%	11.5%	15.0%	15.0%

¹ Withholding examinations are no longer counted as completed audits.

² Audit findings are the amounts determined to be due by auditors and submitted to Audit Review for assessment. These amounts are subject to reduction by Audit Review before being assessed if errors are found, but are normally assessed as is. The assessments may then be reduced based on additional information from the taxpayer or based on decisions by the Board of Tax Appeals or other courts. Collections can also be affected by policy changes by the secretary or legislative changes that are beyond the control of the department.

³ The percentage of audits generating less than \$5,000 is affected by the quality of the audits selected. However, it also indicates the department's emphasis on collections or taxpayer compliance. Auditing mostly large corporations will produce fewer audits but very large assessments for each audit. Auditing smaller taxpayers to encourage compliance will produce more audits but smaller deficiencies on each audit. The department normally tries to balance the need for taxpayer compliance with the need to collect additional taxes owed the state.

⁴ This performance indicator attempts to show the impact of each field auditor position. It is difficult to measure the impact of an individual auditor or auditor position because auditors often work in teams, some audits occur over more than one fiscal year, and collections related to a particular audit may be received in a different fiscal year than the one in which the audit was actually conducted. The Department of Revenue is working on the development of a more accurate way to measure the impact (cost/benefit) of an auditor position.

⁵ This was a new performance indicator in FY 1999-00. It did not appear under Act 19 of 1998 and did not have a performance standard for FY 1998-99.

⁶ Information for this performance indicator was not tracked in FY 1998-99.

⁷ This indicator was erroneously titled "Number of new audit cases closed" in FY 1999-00 budget materials as well as in the Louisiana Performance Accountability System. The indicator

⁸ Although the FY 1999-00 performance standard for this indicator is \$7.20, the department indicates in its FY 1999-00 First and Second Quarter Performance Progress Reports that it currently anticipates the yearend figure to be \$6.00.

GENERAL PERFORMANCE INFORMATION: ENFORCEMENT OF TAX LAWS				
PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 1995-96	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99
Number of businesses registered that are covered by the field audit program	275,000	265,000	256,091	238,939
Number of field audits conducted	2,752	3,263	2,332	2,024
Percentage of in-state business accounts audited	0.90%	1.03%	0.42%	0.34%
Percentage of out-of-state business accounts audited	1.43%	2.00%	1.19%	1.24%
Total field audit coverage (percentage of all business accounts audited)	0.87%	0.98%	0.52%	0.46%
Total field audit collections	\$78,086,000	\$67,284,000	\$71,108,992	\$63,931,941
Field audit collections as a percentage of audit findings	58.8%	31.6%	30.6%	40.6%
Percentage of field audits generating less than \$5,000 in audit findings	80.7%	75.4%	70.1%	71.2%
Field audit collections per field auditor position	\$679,000	\$525,700	\$587,678	\$524,032
Return on investment of enforcement (total involuntary	\$6.41	\$6.31	\$6.53	\$6.84
Total audit collections - in-house audit staff	\$22,578,700	\$29,987,300	\$24,054,352	\$23,604,450
Audit cost per dollar of collections generated	\$0.12	\$0.16	\$0.16	\$0.19
Number of delinquent/warrant for distraint assignments	164,307	216,577	274,139	280,953
Number of lien actions	15,612	10,760	10,122	10,173
Number of levy actions	Not available	77,699	76,880	102,677

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$36,616,491	\$29,916,538	\$29,916,538	\$29,902,287	\$26,749,624	(\$3,166,914)
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	19,924,082	35,861,623	38,768,483	32,666,046	30,978,841	(7,789,642)
Statutory Dedications	50,000	50,000	50,000	50,000	50,000	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	28,922	86,680	86,680	50,000	50,000	(36,680)
TOTAL MEANS OF FINANCING	\$56,619,495	\$65,914,841	\$68,821,701	\$62,668,333	\$57,828,465	(\$10,993,236)
EXPENDITURES & REQUEST:						
Salaries	\$29,275,818	\$30,543,263	\$30,543,263	\$31,292,084	\$30,097,921	(\$445,342)
Other Compensation	1,751,439	1,714,271	1,714,271	1,714,271	1,741,727	27,456
Related Benefits	5,492,452	5,632,423	5,632,423	5,737,446	5,588,784	(43,639)
Total Operating Expenses	13,647,961	15,903,124	15,999,489	16,452,108	13,500,782	(2,498,707)
Professional Services	327,220	623,018	623,018	623,018	314,818	(308,200)
Total Other Charges	4,749,571	9,735,960	9,735,960	5,443,609	6,428,367	(3,307,593)
Total Acq. & Major Repairs	1,375,034	1,762,782	4,573,277	1,405,797	156,066	(4,417,211)
TOTAL EXPENDITURES AND REQUEST	\$56,619,495	\$65,914,841	\$68,821,701	\$62,668,333	\$57,828,465	(\$10,993,236)
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	902	903	903	903	860	(43)
Unclassified	8	8	8	8	8	0
TOTAL	910	911	911	911	868	(43)

SOURCE OF FUNDING

The sources of funding for this program include State General Fund Direct, Self-generated Revenues, Statutory Dedications and Federal Funds. The Office of Revenue's Self-generated Revenues are derived from collection services for the New Orleans Exhibition Hall, other collection fees, late payment audit fees, and audit fees. The Statutory Dedication is the Refund Offset Fund. (Per R.S. 39:32B.(8), see table below for a listing of expenditures out of each Statutory Dedicated fund.) The Federal Funds are used to enforce the Federal Motor Carriers Act and the International Fuel Tax Agreement.

	ACTUAL	ACT 10	EXISTING	CONTINUATION	RECOMMENDED	RECOMMENDED
	1998-1999	1999- 2000	1999- 2000	2000 - 2001	2000 - 2001	OVER/(UNDER) EXISTING
Refund Offset Fund	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$0

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$29,916,538	\$65,914,841	911	ACT 10 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$0	\$2,906,860	0	Carry forward for the Tax Return and Remittance Processing System that was not completed prior to June 30, 1999.
\$29,916,538	\$68,821,701	911	EXISTING OPERATING BUDGET – December 3, 1999
\$0	\$553,937	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
\$0	\$404,929	0	Classified State Employees Merit Increases for FY 2000-2001
\$0	(\$64,133)	0	Risk Management Adjustment
\$0	\$1,335,597	0	Acquisitions & Major Repairs
\$0	(\$1,666,417)	0	Non-Recurring Acquisitions & Major Repairs
\$0	(\$2,906,860)	0	Non-Recurring Carry Forwards for the Tax Return and Remittance Processing System that was not completed prior to June 30, 1999
\$0	\$17,499	0	Legislative Auditor Fees
\$0	\$3,982	0	Rent in State-Owned Buildings
(\$14,251)	(\$14,251)	0	Maintenance of State-Owned Buildings
\$0	\$419	0	UPS Fees
\$0	\$388,719	0	Salary Base Adjustment
\$0	(\$712,953)	0	Attrition Adjustment
(\$413,423)	(\$413,423)	(23)	Personnel Reducitons
\$0	(\$565,122)	0	Salary Funding from Other Line Items
\$0	\$20,394	0	Civil Service Fees
(\$233,997)	(\$2,583,882)	0	Continuation of reductions imposed by Executive Order MJF 99-52 in FY 00-01
\$0	(\$4,300,000)	0	Other Non-Recurring Adjustments - Completion of the Tax Reengineering Project
\$0	\$184,152	0	Other Adjustments - Rent Expenses for the Department and Regional Offices
\$0	\$9,720	0	Other Adjustments - Parking Expenses for the Monroe Office
\$0	\$42,780	0	Other Adjustments - Funding provided for Lockheed Martin Contract
\$0	\$70,200	0	Other Adjustments - ISIS Human Resources System Support
\$0	\$29,556	0	Other Adjustments - Salary increase for security guards
\$0	\$1,800	0	Other Adjustments - Maintenance contract for opex mail sorter
\$0	\$15,000	0	Other Adjustments - Interpreter services provided for hearing impaired employee

\$0	\$950,000	0	Other Adjustments - Integration of modules for the Tax Reengineering Project
\$0	\$14,364	0	Other Adjustments - IBM software support expenses
(\$2,505,243)	(\$2,505,243)	(20)	Other Adjustments - Reorganization of the Department
\$0	\$696,000	0	Other Adjustments - Increase Fees and Self-generated revenues from over collections in revenues to support Department
\$0	\$0	0	Net Means Of Financing Substitutions - Replace Federal Funds with Fees and Self-generated Revenues for the Excise Division to participate in the Lockheed Martin International Fuel Tax Agreement (IFTA) processing services
\$26,749,624	\$57,828,465	868	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$26,749,624	\$57,828,465	868	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$26,749,624	\$57,828,465	868	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 84.0% of the existing operating budget. It represents 77.6% of the total request (\$74,555,199) for this program. The 16.0% decrease from the existing operating budget is due to non-recurring acquisitions and major repairs, the non-recurring carry forward of Tax Return and Remittance Processing System, and reductions imposed by Executive Order MJF 99-52 in FY 00-01. This program does not have any positions that have been vacant for (1) one year or more.

PROFESSIONAL SERVICES

\$81,650	Maintenance modifications to tax programs and software support
\$30,000	Tax advice, research and counsel on income tax on trusts and estates, fiduciary income tax and limited other liability companies
\$11,376	Reporting of information technology to include statistical analysis of revenue streams and taxpayer behavior, develop forecasting and statistical control procedures, determine economic applications of the new Office of Revenue data base, assist and train in microcomputer applications
\$30,000	Assistance to the Project Manger of the Year 2000 Project
\$36,736	Tax advice, research and counsel on litigation cases, etc.
\$44,545	Media preparation and placement for major initiatives to inform the public on ways to file tax returns, check the status of refunds and unclaimed property
\$41,984	Expert testimony and witness fees

\$33,335	Assistance on tax
\$3,392	Legal assistance on personnel issues
\$1,800	Maintenance contract for opex mail sorter

\$314,818	TOTAL PROFESSIONAL SERVICES
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OTHER CHARGES

\$145,514	Legislative Auditor Fees
\$950,000	Integration of modules of the Tax Reengineering Project
\$4,441,774	On-going system re-engineering and technology modernization

\$5,537,288	SUB-TOTAL OTHER CHARGES
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Interagency Transfers:

\$129,784	Civil Service Fees
\$34,161	UPS Expenses
\$131,202	Maintenance of State-owned Buildings
\$102,013	Rent in State-owned Buildings
\$14,364	IBM Software Support Expenses
\$4,140	Division of Administration - Office of Information Services computer line usage
\$900	Division of Administration - Louisiana Public Finance Authority - LPFA interest
\$336,954	State Treasurer - banking fees
\$9,546	Comprehensive Public Training Program Expenses
\$128,015	Tax Return and Remittance Processing System Expenses

\$891,079	SUB-TOTAL INTERAGENCY TRANSFERS
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\$6,428,367	TOTAL OTHER CHARGES
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ACQUISITIONS AND MAJOR REPAIR

\$70,200	ISIS Human Resources System Support
\$85,866	Replacement equipment and office furniture throughout the Department. This equipment includes laser printers, scanners, fax machines, computers, workstations, file drawers, and microfilm reader and printers and a mail processing machine

\$156,066	TOTAL ACQUISITIONS AND MAJOR REPAIRS
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